

CITY OF ROUND ROCK

SOLICITATION NUMBER 10-025

SPECIFICATION NO: 04-946-54

REVISED: July, 2010

INVITATION FOR BIDS (IFB) LEASE / PURCHASE FINANCING

PART I GENERAL CLAUSES AND CONDITIONS

- 1.0 The City of Round Rock (LESSEE) requests bids from LESSORS, (Individuals, financial Institutions, including leasing entities, investment banks, commercial banks, and any other interested parties) duly qualified and experienced in arranging third party financing for the lease/purchase of several types of vehicles and equipment for various City purposes.
- 2.0 It is the intent of the City to enter into an agreement with a Lessor using terms and conditions acceptable to both parties and which are the accepted standard in the industry.
- 3.0 All cost(s) incurred directly or indirectly relating to preparation of a bid or any oral or written clarification, which the City may require, shall be the sole responsibility of the Bidder.
- 4.0 All responses shall state that the bid is valid for a period of time not less than thirty (30) days; however, the City prefers that the response be valid for forty-five (45) days.
- 5.0 Bidders shall state, in their bid that the Bidder intends to comply with all applicable laws, rules, and regulations of Federal, State, and Local Governing entities.
- 6.0 The successful Bidder shall, in a timely manner, execute any and all proceedings, forms, disclosures, citations, or any other documents necessary and required to complete the financing arrangement described in connection with this specification. All documents shall be executed and funding accomplished prior to September 24, 2010. Funding shall be on a mutually agreed upon date, but shall not be later than September 24, 2010. Any and all agreements and supporting documents created as a result of this IFB shall be governed and construed according to the laws of the State of Texas.
- 7.0 Section 271.005 of the Local Government Code, V. A. T. S., gives the City the right to classify the financing from this IFB as debt. Therefore, the transaction documents shall delete any non-appropriation clause and substitute the following language:

TAX LEVY A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Agreement, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on, and principal of, the Agreement. All ad valorem taxes levied and collected for and on account of the Agreement shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while the Agreement or interest thereon are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax money required to pay the interest on the Agreement as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Agreement as such principal comes due (but never less than 2% each year), and said tax shall be based on the latest approved tax rolls of the Lessee, with full allowance made for tax delinquencies and the cost of tax collection.

8.0 The agreement resulting from this IFB shall contain a provision whereby the City, at its sole option, may exercise the early payoff clause and all lease payments made shall be applied to the total lease amount. The early payoff shall not exceed the original total lease less all lease payments made plus any interest then due and payable, and, if any, early payoff interest or penalty.

9.0 The City's general obligation bond rating is:

9.1 Moody's Investor Service **Aa2**

9.2 Standard & Poor's **AA+**

10.0 CONFLICT OF INTEREST:

10.1 Effective January 1, 2006, Chapter 176 of the Texas Local Government Code (House Bill 914) requires that any vendor or person considering doing business with a governmental entity disclose the vendor or person's affiliation of business relationship that might cause a conflict of interest with a local government entity. The Conflict of Interest Questionnaire form is available from the Texas Ethics Commission at www.ethics.state.tx.us. Completed Conflict of Interest Questionnaire may be mailed or delivered by hand to the City Secretary. If mailing a completed form, please mail to:

**City of Round Rock
City Secretary
221 East Main Street
Round Rock, TX 78664**

10.2 Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest may automatically result in the disqualification of the vendor's bid.

11.0 EX PARTE COMMUNICATIONS: Please note that to insure the proper and fair evaluation of a bid, the City of Round Rock prohibits ex parte communication (e.g., unsolicited) initiated by the Bidder to the City Official or Employee evaluating or considering the bids prior to the time a bid decision has been made. Communication between Bidder and the City will be initiated by the appropriate City Official or Employee in order to obtain information of clarification needed to develop a proper and accurate evaluation of the bid. Ex parte communication may be grounds for disqualifying the offering Bidder from consideration or award of the bid then in evaluation, or any future bid.

**PART II
SPECIFICATIONS**

1.0 SCOPE: The intent of this specification is to provide bidders with sufficient information to prepare a response to this IFB. All bids shall include, but not limited to, the requirements enumerated herein. (Bidder may submit terms, conditions, options or other considerations that enhance or supplement, but do not restrict or degrade these requirements.)

2.0 INTEREST RATE: The interest rates shall be fixed for the term of the lease agreement. Lessor shall furnish the Lessee with appropriate amortization schedule(s). Interest shall not begin until funding is received by the City.

3.0 AMOUNT TO BE FINANCED: The amount financed shall be \$1,310,569.00 repayable in six (6) semi-annual payments.

4.0 **PAYMENT TERMS:** Semi-annual payments in arrears

5.0 **EQUIPMENT:** The security shall consist of various types of vehicles, personal property or such other items as permitted by State of Texas Law. The vehicles and equipment may be as follows:

- 5.1 Police Crown Victoria
- 5.2 Light and heavy duty pickups
- 5.3 Ford Hybrid SUV
- 5.4 Pierce Pumper Fire Apparatus
- 5.5 Equipment for Pierce Fire Apparatus
- 5.6 John Deere 310SJ s/n Back Hoe
- 5.7 Toro Groundsmaster 328-D
- 5.8 Toro Groundsmaster 5900
- 5.9 Ford F550 Fire Rescue Vehicle

NOTE: The City assumes all proposed equipment will be received before the funding date. In the event all equipment is not received, describe how the funds for those items will be disbursed.

6.0 **BID ACCEPTANCE PERIOD:** All bids shall remain firm and valid for a period of not less than thirty (30) days from the due date of the bid. Lessee prefers a forty-five (45) day lock-in rate.

7.0 **FEES AND EXPENSES:** Any additional fees and expenses, unless clearly identified and mutually agreed to, shall be the sole responsibility of the Lessor.

8.0 **ASSIGNMENT:** Lessor may assign its interest in the agreement resulting from this IFB to an affiliate of Lessor without the written consent of Lessee provided Lessee is advised of said assignment before such assignment is made. If the Lessor intends to sell or resell the schedules to a non affiliate, such intent shall be disclosed in the response to the IFB. The City reserves the right to approve or disapprove an assignment to a non affiliate and such approval shall not be unreasonably withheld.

9.0 **NET LEASE:** All obligations, costs and responsibilities associated with ownership of the equipment will be borne by the Lessee, including insurance, maintenance, and applicable taxes.

10.0 **LEGAL OPINIONS:** Lessee's Counsel will provide an opinion as to legality, enforceability, authority, title, and execution and effect of the Lease and other supporting documents.

11.0 **SUBMISSION OF BIDS:** An original and one (1) copy of all bid response documents shall be submitted to: **(FACSIMILE AND ELECTRONIC RESPONSES SHALL NOT BE ACCEPTED)**

City of Round Rock
Purchasing Manager
221 East Main Street
Round Rock, Texas 78664-5299

Bids will be accepted until 3:00 P.M. July 27, 2010, then publicly opened and read.

ALL RESPONSES SHALL BE RECEIVED IN THE OFFICE OF THE CITY PURCHASING MANAGER BEFORE THE HOUR AND DATE SPECIFIED ABOVE. LATE RESPONSES PROPERLY IDENTIFIED WILL BE RETURNED TO THE RESPONDER UNOPENED. LATE RESPONSES WILL NOT BE CONSIDERED.

13.0 BID EVALUATION: All bids received shall be evaluated based on the best value for the City. Best value will be determined by considering all or part of the criteria listed, as well as any relevant criteria specifically listed in the solicitation.

13.1 Bid price

13.2 Reputation of the bidder and of bidder's goods and services.

13.3 The quality of the bidder's goods or services.

13.4 The extent to which the goods or services meet the City's needs

13.5 Bidder's past relationship with the City. All vendors will be evaluated on their past performance and prior dealings with the City to include, but not limited to, failure to meet specifications, poor quality, poor workmanship, late delivery.

13.5 The total long-term cost to the Municipality to acquire the bidder's goods or services.

13.6 The City reserves the right to accept or reject all or part of any bid, waive minor technicalities and also the right to reject any or all bids for any reason.

14.0 RIGHT TO FINANCE ELSEWHERE: The City reserves the right to refinance the equipment covered by the agreement resulting from this IFB and prepay any remaining amounts due and all security shall be released

15.0 INQUIRES: All questions prior to closing date should be directed to:

Howard Baker
Project Manager
512-218-5455
howardb@round-rock.tx.us

Inquires should make reference to specific section numbers of the IFB.

16.0 BANK QUALIFYING: The City anticipates issuing in excess of \$10,000,000.00 in tax-exempt refunding debt this calendar year.

17.0 LEASING CONTRACT: Bidder shall attach a sample contract.

18.0 FINANCIAL INFORMATION: The City of Round Rock's financial information can be obtained at www.roundrocktexas.gov

**PART III
EXHIBITS**

1.0 EXHIBITS: The following exhibits are hereby made a part hereof by reference:

- 1.1 Exhibit A:** INVITATION FOR BIDS RESPONSE (2 PAGES)****
- 1.2 Exhibit B:** QUESTIONNAIRE****
- 1.3 Exhibit C:** REFERENCES****
- 1.5 Exhibit D:** RECENT FINANCIAL STATEMENT OR INFORMATION EVIDENCING
 FINANCIAL CAPABILITY TO FUND THIS TRANSACTION****
- 1.6 Exhibit E** SAMPLE CONTRACT****

****** THESE EXHIBITS SHALL BE COMPLETED AND ATTACHED AS PART OF THE IFB RESPONSE. FAILURE TO PROVIDE THESE REQUIRED ATTACHMENTS MAY AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD IN CONNECTION WITH THIS TRANSACTION.**

EXHIBIT A
IFB NO. 10-025
CITY OF ROUND ROCK
INVITATION FOR BID RESPONSE
PAYMENTS IN ARREARS
OPENING 3:00 P. M. July 27, 2010

<i>Effective Interest Rates</i>	
Amount Financed	Assume 3 Year Amortization
Total Amount Financed \$1,310,569.00	

NOTE

1. List and discuss any additional fees, expenses, penalties, or payments included in this financing proposal and indicate if such costs are amortized in the repayment schedules.
2. The effective interest rates and resulting amortization schedules shall include and reflect all amortized costs associated with the financing of the aforementioned equipment.
3. A representative amortization schedule shall be included for each finance assumption.
4. Amortization schedules shall reflect payments in "ARREARS."

AUTHORIZED SIGNATURE _____ DATE _____

TAX IDENTIFICATION NUMBER _____

LEGAL BUSINESS NAME _____

ADDRESS _____

ADDRESS _____

CONTACT _____

TELEPHONE NUMBER _____

FAX NUMBER _____

BUSINESS ENTITY TYPE _____

(INDIVIDUAL, PARTNERSHIP, SOLE PROPRIETORSHIP, ESTATE/TRUST/, CORPORATION, GOVERNMENTAL, NON-PROFIT)

NAME OF PARENT ENTITY IF A SUBSIDIARY _____

INVITATION FOR BID RESPONSE PAGE 2

1. FUNDING SHALL BE MADE FROM:

NAME OF ENTITY _____

ADDRESS _____

ADDRESS _____

CONTACT _____

TELEPHONE NUMBER _____

FAX NUMBER _____

2. LEASE PAYMENTS SHALL BE MADE TO:

NAME OF ENTITY _____

ADDRESS _____

ADDRESS _____

CONTACT _____

TELEPHONE NUMBER _____

FAX NUMBER _____

AUTHORIZED SIGNATURE

_____ DATE _____

Bidder may attach as many additional pages as necessary to make this response complete.

THIS ATTACHMENT (TWO (2) PAGES) SHALL BE RETURNED AS THE IFB RESPONSE

**FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE IFB RESPONSE MAY
AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD IN
CONNECTION WITH THIS TRANSACTION.**

**EXHIBIT B
QUESTIONNAIRE**

1. Specify basis: 360 day or 365 day year

2. Will your contract include an early payoff clause with no interest or any other penalty?

3. Will your contract include an early payoff clause with additional interest or other penalty? If it will, state the provisions of this clause.

4. Will you require vehicle titles with the non-appropriation clause deleted from the agreement and the City classifies the financing as debt and creates a special interest and sinking fund as described in Part I paragraph 7.0?

5. Assuming the agreement will be carried to the full term, state the Lessee's total payments below:

AMOUNT FINANCED	TERM YEARS	EFFECTIVE INTEREST RATE	TOTAL PRINCIPAL PAYMENTS	TOTAL INTEREST PAYMENTS	TOTAL ADDITIONAL COSTS	TOTAL COST
\$1,310,569.00	3	_____ %	\$ _____	\$ _____	\$ _____	\$ _____

(Semi-annual payments in arrears)

THIS EXHIBIT SHALL BE RETURNED WITH IFB RESPONSE

**FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE IFB RESPONSE MAY
AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD IN
CONNECTION WITH THIS TRANSACTION**

EXHIBIT C REFERENCES

List below the name, address, year, and contact person of governmental entities for which you have performed a successful lease program. If available also include the estimated dollar value of each lease.

THIS EXHIBIT SHALL BE RETURNED WITH IFB RESPONSE.

**FAILURE TO PROVIDE THE REQUIRED INFORMATION WITH THE IFB RESPONSE MAY
AUTOMATICALLY DISQUALIFY THE RESPONSE FROM CONSIDERATION FOR AWARD IN
CONNECTION WITH THIS TRANSACTION**

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